

Exhibit

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REQUESTED BY: MORRISEY, DEBORAH

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		CASE NUMBER MI02PR07MI0018	
TITLE: TEODORO NGUEMA OBIANG			
CASE STATUS: INIT RPT			
REPORT DATE 111606	DATE ASSIGNED 111506	PROGRAM CODE 7H0	REPORT NO. 001
RELATED CASE NUMBERS:			
COLLATERAL REQ:			
TYPE OF REPORT: OTHER INFORMATION			
TOPIC: EQUATORIAL GUINEA BACKGROUND INFORMATION			

SYNOPSIS:

On November 13, 2006, agents assigned to the ICE SAC/Miami Foreign Public Corruption Unit initiated a criminal inquiry regarding the financial activities of Teodoro Nguema OBIANG (DOB: [REDACTED]) a.k.a. "Teodorin". It is alleged that OBIANG is diverting funds allocated to the government of Equatorial Guinea for his own personal use.

This investigation will attempt to identify and track assets and accounts owned by OBAING and/or his family in the United States and will attempt to determine if those assets were acquired as a result of a specified unlawful activity.

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DOJ_0000167

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DETAILS OF INVESTIGATION:

Case Background:

Equatorial Guinea

Equatorial Guinea (E.G.) is a West African country, composed of a mainland and five inhabited islands, with a landmass slightly less than the state of Maryland and a population of about 510,000 people. Malabo, on the island of Bioko, is the capital and largest city of the country. Spanish and French are the official languages, but Bantu languages are also spoken.

Equatorial Guinea was colonized by the Portuguese in the late 1600s, ceded to Spain in 1778, and gained independence in the 1960s. After a referendum and constitutional convention, Francisco Macias NGUEMA was elected President of Equatorial Guinea in 1968. Macias subsequently abolished the constitution, established a single-party dictatorship, and declared himself President for Life. His rule occasioned the death or exile of about one-third of the country's citizens. In 1979, Macias was overthrown and executed by his nephew, Colonel Teodoro OBIANG NGUEMA.

OBIANG declared himself President in his uncle's place. Twenty-five years later, OBIANG still holds that position. While a new E.G. constitution was enacted in 1982, and single-party rule was officially ended in 1991, free and fair elections have not followed. According to a July 2004 hearing by the U.S. Senate Permanent Subcommittee on Investigations Committee on Governmental Affairs, the December 2002 election in Equatorial Guinea, in which President OBIANG claimed victory with 97% of the vote, was described by the U.S. State Department as "marred by extensive fraud and intimidation." President OBIANG is also depicted as dominating the E.G. government. In the words of the U.S. State Department, he "names and dismisses cabinet members and judges, ratifies treaties, leads the armed forces, and appoints the governors." A review of top E.G. officials over the past few years shows that many are members of the President's extended family.

The State Department has also been highly critical of the country's human rights abuses, use of torture, and culture of corruption. The IMF has also issued reports critical of the country's lack of transparency and accountability on fiscal matters. Corruption allegations are also commonplace in articles about Equatorial Guinea. For example, one recent U.S. publication wrote: "In 1998, according to the IMF, [the E.G.] government received \$130 million in oil revenue, and Obiang simply pocketed \$96 million of it. Although three of every four Equatoguineans suffer malnutrition, between 1997 and 2002,

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OBIANG spent just over 1 percent of his country's budget on health, by far the lowest of the nine African countries the IMF surveyed. According to a 2002 State Department report, there is "little evidence that the country's oil wealth is being devoted to the public good".

The Subcommittee also found that "despite its poor record on human rights, civil liberty, and democracy, Equatorial Guinea has experienced rapid economic growth during the last five years due to development of its oil resources. In 1996, the multi-national Mobil Corporation (now ExxonMobil) struck oil in the country, and by 2004, 185,000 barrels per day were being produced for the world oil markets. This discovery had a profound effect upon the country, spurring its economic expansion at the rate of 20% annum. Since 1997, U.S. oil companies, including Amerada Hess, ChevronTexaco, ExxonMobil, and Marathon have made substantial investments in oil fields off the E.G. coast as well as in E.G. methanol and liquified natural gas plants. Equatorial Guinea has also become an important source of oil for the United States.

Diplomatic relations between Equatorial Guinea and the United States have varied over the years. In 1995, the United States closed its embassy in Equatorial Guinea. Eight years later, in 2003, the United States agreed to re-establish this Embassy, reportedly at the urging of U.S. oil companies doing business in Equatorial Guinea.

According to the Wikipidia Encyclopedia, "In March 2004, OBIANG announced that there was a complex plot to overthrow him that allegedly involved the intelligence services of the United States, the United Kingdom and Spain. Shortly after 15 people were arrested in Equatorial Guinea in connection with a possible coup attempt, an airplane landed in Harare, Zimbabwe, and was promptly detained by authorities. This story was used for the 2006 UK film Coup!. The Zimbabwean government claimed that the aircraft was carrying armed white mercenaries who were heading to Equatorial Guinea with the aim of toppling Obiang's government. However, the American-based operator of the plane maintained that the men were en route to the Democratic Republic of the Congo to guard commercial mining interests for JFPI Corporation. President Obiang charges that various Western governments wanted to install the head of Equatorial Guinea's government-in-exile, Severo Moto Ns, as president. A man that Equatoguinean media identified as the leader of the mercenaries, Nick du Toit, said he had not intended to kill Obiang, but had hoped to force him into exile."

Currently, OBIANG is suffering from terminal prostate cancer, amongst other illnesses, and is said to be existing in agony. The issue of succession is dominating the country, with a political struggle within the Equato-Guinean elite. OBIANG wants to hand over control to his son Teodoro Nguema OBIANG (a.k.a. "Teodorin"), to succeed him. This move is primarily opposed by

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OBIANG's younger brother Armengol Ondo NGUEMA, who is the former head of national security for E.G. In November 2005, President OBIANG held an important meeting with the Democratic Party of Equatorial Guinea (PDGE), in which it was believed that he intended to create a position of vice president and fill that position with his son. OBIANG'S worsening medical condition demands he travel abroad twice a month, leaving the country more vulnerable to coups.

RIGGS BANK INVESTIGATION

In July 2004, a hearing conducted by the U.S. Senate Permanent Subcommittee on Investigations Committee on Governmental Affairs determined that the Washington D.C. based Riggs bank, during 1995-2003, managed more than 60 accounts and certificates of deposit for Equatorial Guinea, its officials, and their family members, with little or no attention to the bank's anti-money laundering obligations, turned a blind eye to evidence suggesting the bank was handling the proceeds of foreign corruption, and allowed numerous suspicious transactions to take place without notifying law enforcement.

According to the Subcommittee investigation, "in 1995, Riggs Bank opened its first Embassy accounts for Equatorial Guinea. Over the next eight years, the bank opened nearly 50 additional accounts and a dozen certificates of deposit for not only the government of Equatorial Guinea, but also a host of E.G. senior government officials and their family members. By 2003, the E.G. account had become the bank's largest single relationship, with balances and outstanding loans that together approached \$700 million."

The Subcommittee investigation determined that Riggs Bank serviced the E.G. accounts with "little or no attention to the bank's anti-money laundering obligations, turned a blind eye to evidence suggesting the bank was handling the proceeds of foreign corruption, and allowed numerous suspicious transactions to take place without notifying law enforcement." The Subcommittee investigation found that Riggs opened multiple personal accounts for the President of Equatorial Guinea, his wife and other relatives; helped establish offshore shell corporations for the E.G. President and his sons; accepted \$13 million in cash deposits into accounts controlled by the E.G. President and his wife with few questions asked; allowed wire transfers withdrawing more than \$35 million from the E.G. account containing oil revenues for transfer to two unknown companies with accounts in bank secrecy jurisdictions; and

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exercised such lax oversight over the E.G. account manager that, among other misconduct, he was able to wire transfer more than \$1 million in E.G. oil revenues to an account he controlled at another bank. Riggs Bank failed to cooperate initially with the Subcommittee investigation of the E.G accounts, and closed the accounts only after numerous questions raised concerns the bank was unable to resolve. The \$700 million dollars was seized but later returned, Riggs Bank Vice President was indicted on a 27 count indictment for his role in the conspiracy and Riggs Bank agreed to pay a \$16 million fine for their role in the case.

Identification of Targets:

Teodorin Nguema OBIANG (a.k.a. Teodoro Nguema OBIANG) OBIANG is the son of Equatorial Guinea President Teodoro Obiang NGUEMA and is currently the Minister of Agriculture and Forestry of Equatorial Guinea. OBIANG is in line to succeed his father as President, who was diagnosed with terminal prostate cancer. OBIANG owns several companies and real estate properties in the United States, despite earning an estimated \$5,000 a month from his government job. It was recently reported that OBIANG purchased a home in California for the price of \$35 million.

Eve JEFFERS (a.k.a. Eve)

JEFFERS is the girlfriend of OBIANG and a hip-hop musician and actress residing in California. JEFFERS has been linked to OBIANG through bank accounts and social functions. During Christmas 2005, OBIANG threw a party for Eve and spent close to \$700,000 to rent Microsoft billionaire Paul Allen's 303-foot yacht, "Tatoosh". JEFFERS additionally owns several businesses that OBIANG has account signing authority for.

Rosalina ROMO

ROMO is believed to be the personal assistant for JEFFERS and has extensive knowledge regarding the business relationship between JEFFERS and OBIANG. At this time it is unknown what degree of association ROMO has with OBIANG.

Case Objectives:

At this time, there is no identified Specified Unlawfully

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Activity directly linked to OBIANG's finances. As a result, this case will begin to identify and track assets in the United States associated with Teodorin Nguema OBIANG. These assets will include but are not limited to, bank accounts, registered businesses and corporations, real-estate and other property. Although no Specified Unlawful Activity has been identified, it is believed that the individuals identified in this report and others yet to be identified are utilizing funds stolen from the government of Equatorial Guinea and may also be accepting bribes from both U.S. and foreign companies for personal gain. This investigation will attempt to identify foreign public corruption committed by the targets in which U.S. financial institutions were utilized to facilitate the unlawful activity.

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